

Coins

Uncertainty dims the luster of a golden offer

By Roger Boye

AN INTERESTING item on foreign coins:

Promoters from the South Africa Chamber of Mines will advertise heavily in the Chicago media this fall, urging people to buy the krugerrand, a one-ounce gold coin.

The krugerrand is one of several foreign coins known as "bullion gold coins," because the retail price of the coin is slightly higher

than the market value of the gold in the coin.

Many investors have soured on gold investments because the world gold price has dropped substantially in the last several months. For example, last summer gold was selling for \$160 an ounce, and the krugerrand was selling for about \$170.

This summer, gold has sold for less than \$110 an ounce, and the krugerrand for less than \$120. This is largely a result of the International Monetary Fund [IMF] and Soviet Union gold

sales which have put too much gold on the market.

Collectors and investors who purchased krugerrands last summer, or even earlier, are hoping the price of gold will begin to go back up. But some analysts believe that additional sales—promised by the IMF—will keep the price of gold at its present level, or lower it further.

In short, buying the krugerrand may not be the "odds-in-your-favor" investment that advertisements make it out to be.